

Message Text

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ORIGIN EUR-12

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DRAFTED BY EUR/SE:NCLEDSKY :RCARROLL:JF

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EB/OCA/CD:JRABENS

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P 012145Z AUG 75

FM SECSTATE WASHDC

TO AMEMBASSY NICOSIA PRIORITY

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E.O. 11652: N/A

TAGS: EINV, MT

SUBJECT: SETTLEMENT OF WESTINGHOUSE/GOT DISPUTE

EMBASSY, PLEASE DELIVER FOLLOWING MESSAGE TO L. C. CIANTAR
OF THE MALTA ELECTRICITY BOARD, FROM BLAIR CRAWFORD.

1. WE ARE REQUESTING YOUR ASSISTANCE IN COMPLETING THE
SETTLEMENT AS AGREED LAST WEEK. I HAVE ALREADY CABLED
MALLIA ON SOME OF THIS BUT, AS YOU KNOW, HE IS NOT RELIABLE
AND IT IS IN ALL OF OUR INTERESTS TO FINISH IT UP QUICKLY.
2. -- COULD YOU FIND OUT WHAT IS HAPPENING ON COURT COSTS?
A STIPULATION FIXING THE EXCHANGE RATE WAS TO HAVE BEEN
SIGNED BY EVERYONE LAST WEEK AND THE COURT REGISTRAR WAS
TO ACT IMMEDIATELY. I HAVE HEARD NOTHING.
3. -- DR. MIZZI WAS GOING TO TRY TO HAVE COUNCIL FOR MEB
WAIVE THEIR POSITION OVER THE COURT COSTS AS PART OF THE
SETTLEMENT. I HAVE HEARD NOTHING.

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4. -- DR. MIZZI WAS GOING TO CERTIFY TO THE TAX PEOPLE

THAT NO TAX IS PAYABLE ON THE SETTLEMENT AMOUNT SO THAT
IT CAN BE REMITTED WITHOUT DIFFICULTY AND MALLIA IS TO
ASSIST. I HAVE HEARD NOTHING.

5. -- I HAVE PREPARED THE FOLLOWING LETTER. COULD YOU
ASK DR. MIZZI TO REVIEW IT. IF IT IS ACCEPTABLE IT WILL
BE SENT THE SAME DAY WE ARE SO ADVISED. IF THERE ARE
REQUESTED CHANGES WE WILL MAKE THEM. BEGIN TEXT:

-- "THIS LETTER IS TO CONFIRM THE UNDERSTANDING REACHED
-- LAST WEEK IN DISCUSSIONS BETWEEN THE RESPECTIVE
-- REPRESENTATIVES OF THE MALTESE ELECTRICITY BOARD AND
-- WESTINGHOUSE REGARDING THE DISPUTE ARISING OUT OF THE
-- MEB CONTRACT NO. 2036.

-- MEB AGREED TO PAY TO WESTINGHOUSE THE SUM OF
-- \$800,000 US DOLLARS AT A NEW YORK BANK TO BE DESIGNA-
-- TED BY WESTINGHOUSE. THIS SUM IS TO BE FREE OF ANY
-- WITHHOLDINGS OR OTHER TAX LIABILITY AND IS TO BE UN-
-- CUMBERED BY EXCHANGE CONTROL OR OTHER GOVERNMENT RE-
-- STRICTIONS. FURTHER, COUNCIL FOR THE MEB AND COUNCIL
-- FOR THE GOVERNMENT OF MALTA AGREED TO WAIVE THE
-- FEES AWARDED OR TO BE AWARDED TO THEM BY THE COURT
-- OF APPEALS IN CASE NO. 14 WRIT OF SUMMONS NO. 502-73.

-- WESTINGHOUSE AGREED TO TURN OVER TO THE MEB ALL STEEL
-- PLATE OWNED BY WESTINGHOUSE WHICH IS CURRENTLY STORED
-- ON MEB PREMISES IN MALTA. THE PARTIES FURTHER AGREED
-- THAT SOME ADDITIONAL STEEL PLATE HELD BY GEORGE PACE
-- WOULD REMAIN THE PROPERTY OF WESTINGHOUSE, SUBJECT TO
-- WHATEVER CONTRACTUAL ARRANGEMENT IS CURRENTLY IN
-- EXISTENCE BETWEEN WESTINGHOUSE AND GEORGE PACE.

-- THE PARTIES FINALLY AGREED THAT UPON RECEIPT BY
-- WESTINGHOUSE OF THE \$800,000 AS SPECIFIED, AND UPON
-- COMPLIANCE BY EACH PARTY WITH THE OTHER CONDITIONS
-- AS SET FORTH ABOVE, ALL OBLIGATIONS BETWEEN THE
-- PARTIES ARISING OUT OF CONTRACT NO. 2036 WOULD BE
-- DEEMED DISCHARGED AND FULFILLED." END TEXT. BLAIR
CRAWFORD, WESTINGHOUSE. INGERSOLL
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To: NICOSIA
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